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USC
409.

"(G) SIMPLE RETIREMENT ACCOUNTS.—
The term heavy plan shall not include a simple retirement account under section 408(n)."
(8) EMPLOYMENT TAXES.—

(A) Paragraph (5) of section 3121(a) is amended by striking "or" at the end of subparagraph (F), by inserting "or" at the end of subparagraph (G), and by adding at the end the following new subparagraph:

"(H) under an arrangement to which section 408(n) applies, other than any elective contributions under paragraph (2)(A)(i) thereof."

(2) Section 209(a)(4) of the Social Security Act is amended by inserting "; or (J) under an arrangement to which section 408(n) of such Code applies, other than any elective contributions under paragraph (2)(A)(i) thereof," before the semicolon at the end thereof.

(3) Paragraph (5) of section 3306(b) is amended by striking "or" at the end of subparagraph (F), by inserting "or" at the end of subparagraph (G), and by adding at the end the following new subparagraph:

"(H) under an arrangement to which section 408(n) applies, other than any elective contributions under paragraph (2)(A)(i) thereof."

(D) Paragraph (12) of section 3401(a) is amended by adding the following new subparagraph:

"(D) under an arrangement to which section 408(p) applies, or"

(9) CONFORMING AMENDMENTS.—

(A) Section 280G(b)(6) is amended by striking "or" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", or" and by adding after subparagraph (C) the following new subpara-

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in section
408(p)."
(B) Section 402(g)(3) is amended by
striking "and" at
the end of subparagraph (B), by
striking the period at
the end of subparagraph (C) and
inserting ", and" and
by adding after subparagraph
(C) the following new
subparagraph:
"(D) any elective employer
contribution under section

(4) Subsections (b),
(c), (m)(4)(B), and (n)(3)(B) of
sec-
tion 414 are each amended by
inserting "408(p)" after
"408(k)".

(5) Section 4972(d)(i)
(A) is amended by striking "and"
at the end of clause (ii), by
striking the period at the
end of clause (iii) and
inserting ", and", and by
adding
after clause (iii) the following
new clause:

"(iv) any simple
retirement account
(within the
meaning of section
408(p))."

(c) REPEAL OF SALARY
REDUCTION SIMPLIFIED EMPLOYEE
PEN-
SIONS. Section 408(k)(6) is
amended by adding at the end
the
following new subparagraph:

"(H) TERMINATION.—
This paragraph shall not
apply
to years beginning after
December 31, 1996. The
preceding
sentence shall not apply
to a simplified employee
pension